



Testimony for Connecticut Joint Labor Committee

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Good afternoon. Thank you Senator Prague and Representative Ryan and all of the members of the Labor committee for holding this important hearing and for giving us the opportunity to testify.

My name is Kurt Westby and I am the Connecticut District Director for the Service Employees International Union Local 32BJ. Local 32BJ represents over 110,000 building service workers in nine states and the District of Columbia, 4,500 of whom live and work in the state of Connecticut. Of the 4500 members in Connecticut, 600 work for private contractors in state office buildings and higher education facilities such as UCONN and the State Capitol building.

I am here today to testify in support of ***RAISED BILL 6502: AN ACT CONCERNING THE STANDARD WAGE FOR CERTAIN CONNECTICUT WORKERS.*** This important legislation will permanently fix the broken Standard Wage law and preserve the health coverage of hundreds of Connecticut's working families.

Until 2000, most of the hardworking private-sector janitors who cleaned State office buildings made minimum wages with no health care, paid sick leave or other important benefits. That year, in large part to the leadership of now Speaker Chris Donovan, the Connecticut General Assembly passed the "Standard Wage Law" to ensure that all workers at state buildings, including those working for contractors, receive the wages and benefits they need to support their families.

The Standard Wage Law determines the wages of certain service employees who work for contractors that do work for the State of Connecticut. This includes employees who provide food, building, property or equipment services. The Law also requires an additional 30 percent of the employees' wage rate be contributed to health care, retirement and other earned employee benefits.

As you all know, since 2000 when the Standard Wage Law was passed, health care costs in Connecticut have risen over 120% percent. The 30 percent allocation for benefits is no longer enough to cover the cost of health care for cleaners and their families, and the Standard Wage Law is no longer effective in meeting its intended goal to ensure workers providing services to the state are receiving health care and pension benefits. As a result of this, hundreds of workers stopped

accruing pension credits in July 2008. The health benefits for the spouses and children of the janitors was set to run out on February 1st, 2009 -- and only thanks to your leadership and support were we able to prevent hundreds of men and women from losing their coverage and hundreds of children from going onto the state's HUSKY program or going to the State's emergency rooms for care.

Unfortunately, the provision in the January budget mitigation bill to continue funding health benefits expires on June 30th. On July 1, the children of state cleaners will lose their health care if their parents' benefits are not fully funded. In addition to the 350 children at risk, over 100 dependent spouses may lose their health care coverage. Should they lose their health care coverage, many of the cleaners' children will be eligible for the HUSKY program, the publicly-funded health care program for uninsured children. The Office of Fiscal Management estimates the cost of adding the children to HUSKY to be upwards of \$1.6 million for the year.

We understand that times are tough, and we are coming before you today to support a bill with significant sacrifices for cleaners at state buildings.

It is a time for shared sacrifices, and while we believe the current wages outlined in the Standard Wage Law are fair compensation for the hard work state cleaners are performing, we will support wage rate adjustments in order to retain family health care coverage.

Any amendment to the Standard Wage Law must hold true to the original intent of the law -- which is to ensure that ALL workers at state buildings receive the wages and benefits they need to support their families.

We believe that Raised Bill 6502 is an effective and fiscally responsible permanent solution to the standard wage law. Instead of simply increasing the benefit to wage ratio to 40% as we had originally proposed, the new bill does the following:

1. Ties the wage and benefit packages of new contracted employees to the private sector's prevailing rate in the City of Hartford, rather than relying on the existing Service Contract Act wage and benefit breakdowns that differ city by city. 32BJ's master commercial cleaning contract mandates a wage that is substantially less than the current SCA rate, and will result in long term cost savings to the state.
2. The new wage rate will only impact NEW employees. All current employees will retain their current wage rate but will immediately receive the "prevailing benefit package," meaning they would receive the same benefit package that our commercial janitors receive including family medical benefits.
3. The bill includes a displaced worker provision. This protection is necessary in order to ensure a level playing field for competitive bidding, and to protect incumbent workers when the State changes contractors. Without the displaced worker protection, new contractors would be able to underbid incumbent contractors by refusing to hire the incumbent workers, and bringing in new workers at a lower rate, and with fewer accrued benefits. This

mirrors other displaced worker policies the State has previously adopted, such as the statute protecting workers at Bradley Airport.

Originally, we were going to propose that the state increase the benefit portion of the Standard Wage law 40%. Though that scenario would protect workers' benefits without any future decrease in wages, it would have cost the state over \$1.6 million dollars, and, as the workers wages increase over time, we project that by 2015 the state would be paying an additional \$2.2 million each year. In contrast, by 2015 our proposal would cost the state \$831,914 LESS than if we kept the existing language as is – all this while providing full benefits. A more detailed cost assessment is attached to this testimony, as are some technical changes that we will clarify some of the bills' provisions and ensure that the intent of the law is represented in the language.

Thank you again for giving us the opportunity to testify today. I would be happy to answer any questions you may have.

